

Message Text

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C O N F I D E N T I A L STATE 125506 TOSEC 130135

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FOR THE SECRETARY FROM ROGERS

E.O. 11652:GDS

TAGS: CI, PFOR,

SUBJECT: TREASURY SECRETARY SIMON'S VISIT TO CHILE,
MAY 7, 1976

1. THE FOLLOWING IS A MEMORANDUM PREPARED FOR ME BY
JOSEPH GRUNWALD, DEPUTY ASSISTANT SECRETARY FOR ECONOMIC
POLICY WHO ACCOMPANIED SIMON ON HIS TRIP TO LATIN
AMERICA.

2. SIMON'S STANCE ON HUMAN RIGHTS VIS-A-VIS THE
CHILEANS WAS CONSIDERABLY STRONGER THAN I ANTICIPATED.

3. ASIDE FROM A FAIRLY INTIMATE LUNCHEON, MORE THAN TWO
HOURS WAS DEVOTED TO A FORMAL DISCUSSION OF HUMAN RIGHTS
WITH THE TOP CHILEAN LEADERS (INCLUDING THE MINISTERS OF
FOREIGN AFFAIRS, FINANCE, INTERIOR AND JUSTICE; THE HEADS
OF THE SUPREME COURT AND THE DRAFTING COMMISSION FOR A
NEW CONSTITUTION; AND CHILE'S EXPERT ON HUMAN RIGHTS).

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LESS THAN 10 MINUTES WAS SPENT ON ECONOMIC QUESTIONS.

4. SIMON INDICATED HIS APPROVAL OF CHILEAN ECONOMIC POLICY AND AS EVIDENCE OF HIS APPROVAL HE POINTED TO HIS SUPPORT OF CHILE IN THE WORLD BANK AND OTHER INTERNATIONAL AGENCIES. HE EVEN VOTED FOR DEBT

RESCHEDULING FOR CHILE, A UNIQUE GESTURE FOR A PERSON WHO IS USUALLY OPPOSED TO SUCH A MOVE. NEVERTHELESS, AS A TRUE BELIEVER IN THE FREE MARKET, HE IDENTIFIED FREE ENTERPRISE WITH FREE PEOPLE. HE EXPRESSED HIS CONCERN ABOUT CHILE'S REPRESSION OF INDIVIDUAL FREEDOMS AND STATED THAT CHILE'S MARCH TOWARDS A FREE MARKET CANNOT BE COMPLETED WITHOUT A MOVEMENT TOWARD PERSONAL FREEDOMS.

5. SIMON STRESSED THAT IT WILL BE DIFFICULT TO "NORMALIZE" U.S.-CHILEAN RELATIONS WITHOUT SIGNIFICANT PROGRESS TOWARD HUMAN RIGHTS. US AID WILL DEPEND ON IT. IN THE ABSENCE OF DEMONSTRABLE PROGRESS, US CONGRESS IS LIKELY TO CURTAIL SHARPLY CURRENT AID LIMITATIONS.

6. THE CHILEAN REACTION WAS PREDICTABLE: ALL OFFICIAL GOVERNMENT ACTION IS ACCORDING TO CHILEAN LAW; THERE MAY HAVE BEEN EXCESSES IN THE BEGINNING OF THE REGIME IN ORDER TO RESTORE ORDER OUT OF THE CHAOS LEFT BY THE MARXISTS; ANY VIOLATIONS OF HUMAN RIGHTS ARE BEING PUNISHED NOW. THE CHILEANS INSISTED THAT THERE IS HABEAS CORPUS UNDER CHILEAN LAW. WHEN QUESTIONED, THEY INDICATED THAT THE "NATURAL" EXCEPTION IS FOR PERSONS ARRESTED UNDER THE STATE OF SIEGE; BUT EVERY COUNTRY HAS THE RIGHT TO IMPOSE A STATE OF SIEGE IN ORDER TO PROTECT ITS NATIONAL SECURITY. THEY TOLD US THAT ONLY 692 PERSONS WERE HELD ON MAY 7 UNDER THIS CATEGORY; THESE WERE THE ONLY POLITICAL PRISONERS IN CHILE (NOT THE MORE THAN 4,000 POLITICAL PRISONERS REPORTED IN THE "BIASED" FOREIGN PRESS). AGAIN WHEN PRESSED, THE CHILEANS SAID THAT THERE WERE SOME 3,900 PERSONS ALREADY SENTENCED OR TO BE TRIED UNDER ORDINARY CRIMINAL JUSTICE, ABOUT 90 PERCENT OF THESE FOR VIOLATIONS OF ARMS CONTROL LAWS.

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7. WHEN THE DISCUSSION THREATENED TO DROWN ITSELF IN LEGALISTIC JUSTIFICATIONS, JORGE CAUAS, THE MINISTER OF FINANCE, STATED THAT MUCH HUMAN RIGHTS PROGRESS HAS ALREADY BEEN ACHIEVED, THAT THE VELOCITY OF LIBERALIZATION HAS ACCELERATED AND WILL CONTINUE. SIMON INSISTED ON SPECIFICS SO THAT CONCRETE PROGRESS CAN BE DEMONSTRATED.

8. ACCORDING TO MY NOTES, THE MEETING RESULTED IN THREE CONCRETE UNDERSTANDINGS:

A) PRISONER RELEASES, SUCH AS THE 49 ANNOUNCED JUST PRIOR TO SIMON'S ARRIVAL, WILL BE ACCELERATED; FOR THE CHILEANS THIS IS A GOODWILL GESTURE BECAUSE THEY CONSIDER MOST POLITICAL PRISONERS NOT HELD TO BE POTENTIAL

TERRORISTS WHO AFTER FURTHER TRAINING IN CUBA WOULD RETURN TO CHILE TO MAKE TROUBLE.

B) RESUMPTION OF NEGOTIATIONS WITH WORKING GROUPS OF THE UN HUMAN RIGHTS COMMISSION WITH A VIEW TO HAVING MEMBERS OF THE COMMISSION VISIT CHILE (PROVIDED THAT THEY ARE "OBJECTIVE").

C) FURTHER PROGRESS UNDER THE STATE OF SIEGE DECREE. (THIS MIGHT INCLUDE A REDUCTION OF THE NIGHTLY CURFEW AND AT LEAST A PARTIAL LIFTING OF HABEAS CORPUS RESTRICTIONS. ON THE OTHER AND, IT IS CLEAR THAT THE CHILEAN GOVERNMENT IS NOT YET PREPARED TO LIFT THE STATE OF SIEGE, BECAUSE THE GOVERNMENT STILL FEELS THREATENED FROM THE OUTSIDE. THUS, SHORTWAVE RADIO PROGRAMS FROM THE USSR, ETC., ARE CONSIDERED "AGGRESSION".)

9. LESS THAN TEN MINUTES REMAINED FOR THE DISCUSSION OF ECONOMIC ISSUES (BEFORE THE BEGINNING OF THE PRESS CONFERENCE WHICH ALREADY WAS POSTPONED FOR HALF AN HOUR IN ORDER TO PERMIT AN EXTENSION OF THE HUMAN RIGHTS DISCUSSION). ONLY FOUR ECONOMIC POINTS WERE BROUGHT UP OF WHICH THE SIGNING OF THE OPIC AGREEMENT WAS THE MOST PROMINENT. SIMON INDICATED THAT THIS WAS PART OF CONFIDENTIAL

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THE HUMAN RIGHTS PROBLEM; AS SOON AS PROGRESS IN THAT DIRECTION WAS SHOWN THERE WOULD BE NO PROBLEM IN GOING AHEAD WITH THE NEW AGREEMENT. THE OTHER ECONOMIC ISSUES (EXIMBANK FLEXIBILITY, CREDIT WORTHINESS, COPPER MARKETING) WERE OF MINOR IMPORTANCE AND PRESENTED NO PROBLEMS.

10. I HAD THE DEFINITE IMPRESSION THAT THE RESULTS OF THE HUMAN RIGHTS MEETING WERE CONCRETE ENOUGH TO PROVIDE THE U.S. WITH A HANDLE WHICH COULD BE USED IN FUTURE NEGOTIATIONS. ROBINSON

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